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THE MAINE SENATE
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**Testimony in Support of LD 887
An Act to Amend the Regulation of Mobile Home Parks**

**Presented to the Joint Standing Committee on Judiciary
Thursday, March 23, 2023**

Senator Carney, Representative Moonen, and members of the Joint Standing Committee on Judiciary, my name is Troy Jackson. I serve as President of the Maine Senate and proudly represent Aroostook County in the Legislature. I am here today to present LD 887, An Act to Amend the Regulation of Mobile Home Parks.

An element of the current housing crisis that is often overlooked is the mobile home industry. Yet, mobile and modular homes are popular alternatives for those entering the housing market for the first time and for those with fixed or lower incomes. Approximately 20 million people live in manufactured homes in the U.S., many of them veterans, senior citizens, and people with disabilities.¹ Maine has the highest rate of mobile homes in New England and in the entire Northeastern United States.² The cost of these homes in Maine is on the rise. Androscoggin, Aroostook, Cumberland, Kennebec, Penobscot, and York counties all saw significant increases in price from 2019 to 2022.³ In my backyard, rural Aroostook County, we had some of the least expensive mobile homes pre-pandemic; but since then, the median sales price has nearly tripled.⁴ These homes are a major component of the state's housing stock, but they are also under attack.

Owners of manufactured homes in a park are required to rent the land on which their home sits. Unlike renters who may be evicted and have to move, an owner of a mobile home will have to sell the home or move it to another site. These homes are really not that mobile. They are difficult to move and costly to do so. The cost of moving a mobile home typically falls in the \$5000 to \$10,000 range according to the National Consumer Law Center. If the owner cannot afford to move the home, they may be forced to sell at fire-sale rates or abandon the home, in which the landowner can then take title.

¹<https://www.newyorker.com/magazine/2021/03/15/what-happens-when-investment-firms-acquire-trailer-parks>

² <https://www.bangordailynews.com/2022/06/14/business/mobile-homes-getting-expensive-joam40zk0w/>

³ <https://www.bangordailynews.com/2022/06/14/business/mobile-homes-getting-expensive-joam40zk0w/>

⁴ <https://www.bangordailynews.com/2022/06/14/business/mobile-homes-getting-expensive-joam40zk0w/>

Although manufactured homes cost less than stick built, they are a major investment for those they house. Most buyers aren't eligible for fifteen or thirty-year fixed rate mortgages. Many have to finance their homes with high-interest loans.⁵ And, whereas traditional homeownership can be a secure basis of wealth, mobile homes depreciate in value. These homeowners may have saved for years to put a down payment on a home, and while they are paying on this loan, they are also paying rent for the land upon which it sits.

To make matters worse, large investment firms have been targeting mobile home communities to use them as passive income. These parks can generate steady returns and require little effort to maintain.⁶ The Mobile Home University Website states, "Mobile home parks are the hottest sector for real estate right now."⁷ These firms come in, raise rents, change rules, adjust rental agreements, and leave the renters with little recourse. LD 887, as amended, is an attempt to give those who rent more protection for their investment.

The reasons for the proposed amendment are as follows: Section 1 of the bill is unnecessary as written. This is because hidden deep within Title 10, Section 9097, subsection 1, paragraph F, is the following: "... in the case of change of use, one year's notice is given in writing, unless at the beginning of the tenancy the tenant is given notice of the scheduled change of use." Additionally, to promote housing stability, I have included language that would allow homeowners an opportunity to purchase the mobile home park when the park's owner is considering a sale. I have also lengthened notice requirements for changes in fees and rules, temporary or permanent evictions, and removal of abandoned property. Moreover, the offered amendment increases the time a tenant has to come up with a late payment of rent. These changes will give tenants the much needed time to assess their options and plan alternatives if the need arises .

I did keep the original Section 2 of the bill (Section 4 in the proposed amendment). Both binding arbitration and possessory liens are known to be predatory. They are two more ways to limit the rights of the owner of the mobile home. Maine is an aging state and many of the tenants in our mobile home parks are retirees living on fixed incomes. Any way we can help secure their right to housing is a pledge I will proudly take.

Thank you for your time and consideration. I will try to answer any questions you may have.

⁵<https://www.newyorker.com/magazine/2021/03/15/what-happens-when-investment-firms-acquire-trailer-parks>

⁶ <https://www.findlaw.com/legalblogs/law-and-life/what-rights-do-mobile-home-park-tenants-have/>

⁷<https://www.newyorker.com/magazine/2021/03/15/what-happens-when-investment-firms-acquire-trailer-parks>

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Replace LD 887 with the following:

Sec. 1. 10 MRSA §9093(2) is amended to read:

2. Increases or changes. The park owner or operator must give at least ~~30~~ **60** days' written notice to all tenants before changing any rules or increasing any fees, charges or assessments.

Sec. 2. 10 MRSA §9094-A (1) is amended to read:

1. Notice of offer to purchase the mobile home park. Except as provided in subsection 3, if the owner of a mobile home park receives an offer to purchase the mobile home park and the park owner intends to accept that offer, the owner shall give ~~45~~ **60** days' written notice to tenants of the mobile home park **in order for the homeowners to express interest in purchasing the property and another 60 days to close the purchase.** The notice must indicate that the owner has received an offer to purchase the mobile home park and that the owner intends to accept that offer. During the ~~45-~~ **60** day notice period, the owner may not execute a contract for the purchase and sale of the mobile home park. The owner must mail by regular mail a separate notice to each park tenant.

2. Option contract. Nothing in this subsection prohibits the owner of a mobile home park from obtaining at any time from a buyer an option to sell the mobile home park if:

A. The option does not bind the owner who obtains the option to sell the park to the buyer; and

B. The option of the owner may not be exercised prior to expiration of the ~~45-~~**60**-day notice provided for in subsection 1.

Sec. 3. 10 MRSA §9097(1)(G) is amended to read:

G. Renovation or reconstruction of any portions of the park, if:

(1) In the case of a temporary eviction, the park owner or operator:

(a) Gives affected tenants ~~30~~ **45** days' notice in writing, unless the temporary eviction is necessary to correct conditions posing an immediate threat to one or more tenants' health or safety; and

(b) Pays the removal and relocation costs of tenants, except for those tenants who agree otherwise in a signed writing separate from the lease; or

(2) In the case of a permanent eviction, other than an eviction due to reconstruction or renovation required by a federal, state or local governmental body, of one or more mobile homes currently located in the park, the park owner or operator:

(a) Gives each tenant one year's notice in writing; or

(b) To each tenant for whose home the park owner has found a reasonable alternative location acceptable to the tenant, gives 6 months' written notice and pays removal and relocation costs;

Sec. 4. 10 MRSA §9097(1-B) is amended to read:

1-B. Abandoned mobile home or manufactured housing. Manufactured housing that is abandoned or unclaimed by a tenant following the tenant's eviction in accordance with this section and section 9097-B must be disposed of by a mobile home park owner or operator as

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follows. For purposes of this subsection, "manufactured housing" includes all housing described in section 9002, subsection 7 located in a land lease community or mobile home park.

A. After a mobile home park owner or operator obtains a judgment for forcible entry and detainer, the mobile home park owner or operator shall send written notice by first-class mail, with proof of mailing, to the last known address of the tenant with a copy to the lienholder, if known. The notice must set forth the mobile home park owner's or operator's intent to dispose of the manufactured housing. The notice must advise the tenant and lienholder, if known, that if the tenant or lienholder does not respond to the notice within ~~44~~ **21** calendar days the mobile home park owner or operator may dispose of the property as set forth in this subsection. If the tenant or lienholder does respond to the notice, the tenant or lienholder shall take possession of the property within ~~24~~ **30** calendar days. Subsection 2-B applies with respect to the rights and responsibilities of the lienholder.

B. If a tenant or lienholder claims ownership of the manufactured housing within ~~44~~ **21** calendar days after the notice under paragraph A is sent, the tenant or lienholder shall take possession of the property within ~~24~~ **30** calendar days of claiming ownership. If the tenant or lienholder timely claims the property but is not able to move the property within ~~24~~ **30** days due to weather or posted road conditions, the mobile home park owner or operator shall allow the tenant or lienholder to remove the property after the ~~24~~ **30**-day period but the mobile home park owner or operator may charge for any additional costs incurred as a result of the delay.

C. If a tenant or lienholder does not claim ownership of the property within ~~44~~ **21** calendar days after the notice under paragraph A is sent or fails to take possession of the property after claiming ownership pursuant to paragraph B, the mobile home park owner or operator may take one or more of the following actions:

(1) Condition the release of the property to the tenant or lienholder upon payment of all rental arrearages, damages, costs of legal fees and costs of storage;

(2) Sell any property for a reasonable fair market price and apply all proceeds to rental arrearages, damages, costs of storage, marketing expenses, legal fees and outstanding taxes. Any balance must be sent to the tenant's or lienholder's last known mailing address and, if returned to the sender, the balance must be forwarded to the Treasurer of State; and

(3) Dispose of any property that has no reasonable fair market value.

2. Notice. A tenancy in a mobile home park may be terminated only by:

A. The tenant giving at least 45 days' notice of termination to the park owner; or

B. The park owner entitled under subsection 1 to the mobile home space giving at least ~~45~~ **60** days' notice of termination in writing to the tenant. If the landlord or the landlord's agent has made at least 3 witnessed good faith efforts made on 3 separate days to serve the tenant, service may be accomplished by both mailing the notice by first class mail to the tenant's last known address and by leaving the notice at the tenant's space in the park.

(1) In cases where the reason for eviction is nonpayment of rent, the tenancy may be terminated by ~~30~~ **60** days' notice given in the same manner provided that the notice for eviction contains notice of the amount owed and a statement indicating that the tenant can negate the effect of the notice of termination as it applies to rent arrearage if the tenant pays the full amount of rent due before the expiration of the notice.

(2) In cases in which the reason for eviction is one listed in subsection 1, paragraph B, C, D, E, H or I, the 45 days' notice of termination must refer to relevant provisions of the lease or mobile home park rules and must state the reasons for the termination.

Sec. 5. 10 MRSA §9097-A, sub-§2, is amended to read:

2. Unenforceable provisions. The following rental agreement or rule provisions are specifically declared to be unenforceable and in violation of Title 5, section 207:

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A. Any provision that absolves the park owner or operator from liability for the negligence of the park owner or operator or the agent of the park owner or operator;

B. Any provision that requires the tenant to pay the legal fees of the park owner or operator in enforcing the rental agreement;

C. Any provision that requires the tenant to give a lien upon the tenant's property, including a tenant's mobile home, for the amount of any rent or other sums due the park owner or operator; ~~and~~

D. Any provision that requires the tenant to acknowledge that the provisions of the rental agreement, including tenant rules, are fair and reasonable;

E. Any provision that binds the tenant to arbitration in lieu of a civil trial; and

F. Any provision that requires the tenant to agree to a possessory lien.

Sec. 5. 10 MRSA §9097-C, is amended to read:

The owner of a mobile home park or the owner's agent may assess a penalty against a tenant for late payment of rent under this section.

1. Late payment. A payment of rent is late if it is not made within ~~45~~ **30** days from the time the payment is due.

2. Maximum penalty. The owner of a mobile home park or the owner's agents may not assess a penalty for the late payment of rent that exceeds 4% of the amount due for one month.

3. Notice in writing. The owner of a mobile home park or the owner's agents may not assess a penalty for the late payment of rent unless the owner of a mobile home park or the owner's agents gives the tenant written notice at the time the owner of a mobile home park or the owner's agents and tenant enter into the rental agreement that a penalty, up to 4% of one month's rent, may be charged for the late payment of rent.

Summary: The proposed amendment increases the notice requirement period from 30 to 60 days for any changes in park rules, fees, charges, or assessments. It allows mobile home owners located in a park to collectively express interest and offer to purchase the park that is considering a sale. The amendment increases the notice a tenant is given in the case of a temporary or permanent eviction. It increases the calendar days a mobile home owner has to respond to claims of abandonment. The amendment disallows any provision in a rental agreement that binds a tenant to arbitration in lieu of a civil trial or requires a tenant to agree to a possessory lien. It also increases the amount of time considered for a late payment of rent.